BUSINESS FOR UNICORNS

RAISE YOUR RATES

Created by
Mark Fisher &
Michael Keeler

RAISE YOUR RATES TEMPLATE

Prefer a video rundown? Watch this HERE

At the bottom of this document, you will see a template you can use word-for-word and edit. But first, let's discuss the building blocks of this communication:

1. The key principle is “rip off the band-aid, be direct, but don't assume the world is ending." Don't beat around the bush, and don't agonize. Prices go up for all businesses.

2. Use a subject line that actually gets opened. I suggest: “Important Announcement [PLEASE READ]"

3. For the greeting/ salutation, personalize the name if possible in your email service provider. Otherwise, you can use the generic “Dear members of [X Fitness Business]"

4. Come right out with the reason for the email. You're making a modest price increase.

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5

Acknowledge that you wish you never had to raise rates, but all your costs go up each year. At the time of this template creation, you can also acknowledge the current dramatic inflation that's increasing your costs.

KEY POINT : Explain why this has to happen, but remember your focus shouldn't be about you and your costs, it should be about them.

6

Share a list of the ways you have and are continuing to invest in your business to improve their experience. Examples here include:

- Pay increases and benefits for your team so they get amazing coaches
- Continuing education so they get best in class service
- Investments in the facility so they have clean, beautiful, functional space

KEY POINT : You're emphasizing these investments as things that will directly improve their experience.

7

Depending on the size of your business, you can personalize this communication with:

- The terms of their current membership
- The terms of their new membership

8

End your email by acknowledging that you appreciate their continued support and belief. Show more empathy for the fact that no one wants to see their rates go up. Assure them that you don't want to lose people who genuinely can't afford the modest increase, and you'd love to have a personal conversation with anyone who would be financially compromised.

The key here is “personal conversation" you don't want to have a public conversation (read: dumpster fire) about this in a Facebook Group.

KEY POINT : If you're only raising 3-5%, we're looking at $5-$25 extra dollars per month. This isn't a meaningful amount of money. Anyone leaving you for a $10 monthly increase is looking for an excuse to terminate. You're still going to be better off overall (see note below).

Other Considerations:

- Consider doing a video version of the email communication. Some of your clients will prefer to watch a video over reading an email. And if you're good on video, it will give this announcement more humanity and warmth.

- It may be helpful to quote the “per session increase," as in many cases this will be a small number. Related, you could also quote the “per day increase" if the total increase is $30 or more.

- In order to make sure everyone sees this communication, you could:
  - Resend the email to those who don't open it
  - Send out a physical letter in the mail
  - Create a landing page with the information (and possibly video) and text clients a link

KEY POINT : If you're doing a normal raise (as opposed to a correction, see below), it may not be necessary to pull out all the stops.

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- **Expect you will have some pushback and lose some clients.** While this doesn't always happen, it often will. That's ok. Be ready for it. And trust that your business will be in a better place. You'll usually replace any lost member revenue with the price increase. This means the same or more money for less members. This means better profitability.

- If you're planning on a price correction of 10% or more to fix a mistake in your pricing, you can expect more pushback. In that scenario, you can't honestly say the increase is modest. However, if there's sufficient value and you need to make that kind of change, it means you've been massively undercharging. Nonetheless, bigger price increases require an acknowledgment that this will sting more. Your play here is to be direct and honest that you can't give them the world-class experience they deserve at your current rates.

    - If appropriate, you can offer a mea culpa: as a trainer-turned-business-owner, you didn't quite understand what would be required to create the experience you want for your clients. This kind of sort-of-apology requires nuance. You don't want to sound "poor me" or like you don't know what you're doing. But it can be a human and effective piece of a larger price correction.
    - Based on the number of your clients, you may also choose to do individual outreach in the event of a large increase.
    - You may also consider doing a physical mailing of a letter

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- As per our current recommendations, whenever possible we suggest moving to weekly billing. More details as to WHY in this post HERE. Please note when you make this move, it will be the easiest “feeling" price increase you will ever make. Don't waste it! :-)
    - Moving from $200/ mo. to $220/ mo. may be noticeable for some clients.
    - Moving from $200/ mo. to $55/ wk will “feel" smaller, even though it's actually a larger increase over the course of a year

- Some gyms like to build in a yearly 3% increase to their membership, as it means they don't have to do this kind of communication. I personally prefer to have control over how much I do (or do not) increase from year-to-year, but this can be a good solution to consider.

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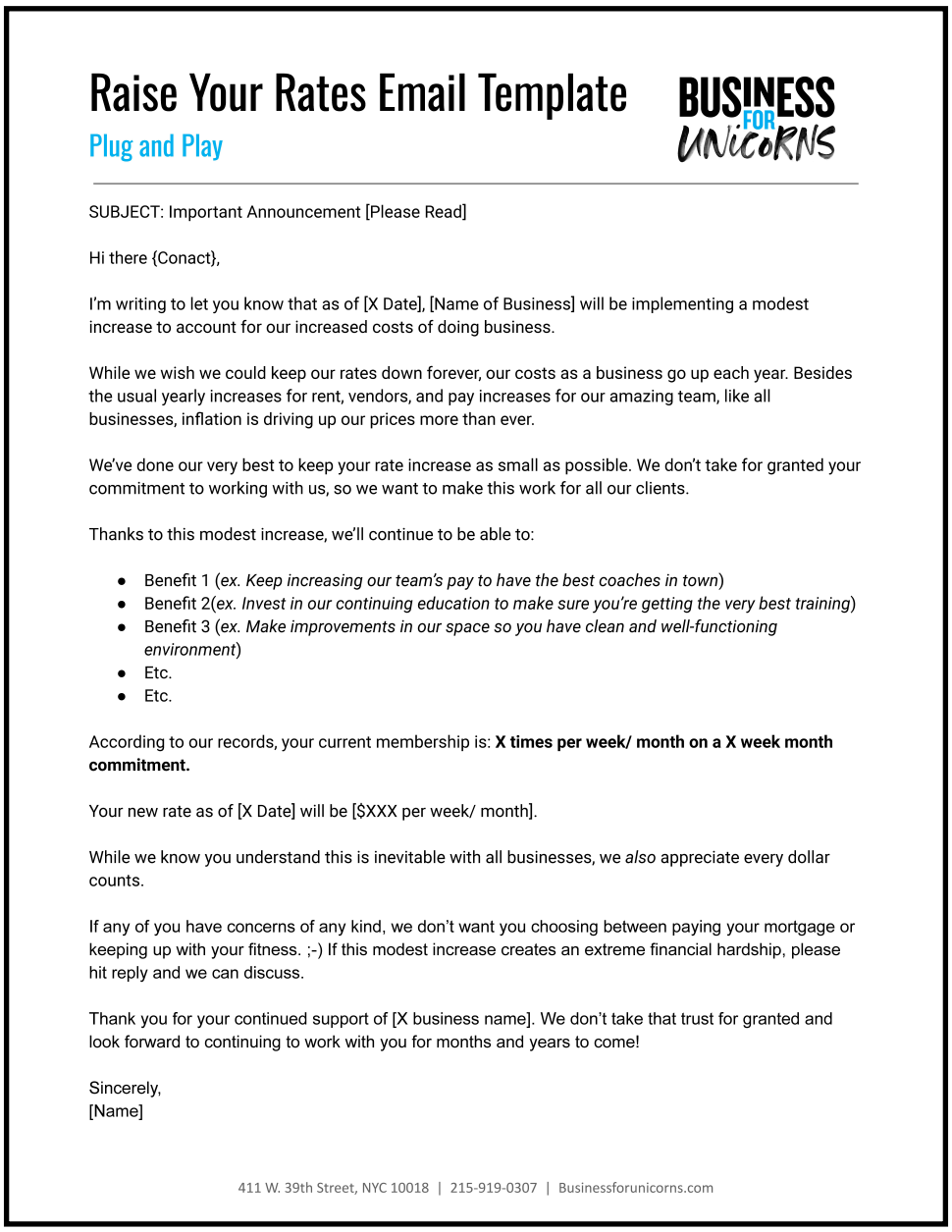
To access the template, click HERE



Raise Your Rates Email Template

Plug and Play

BUSINESS FOR UNICORNS

SUBJECT: Important Announcement [Please Read]

Hi there {Conact},

I'm writing to let you know that as of [X Date], [Name of Business] will be implementing a modest increase to account for our increased costs of doing business.

While we wish we could keep our rates down forever, our costs as a business go up each year. Besides the usual yearly increases for rent, vendors, and pay increases for our amazing team, like all businesses, inflation is driving up our prices more than ever.

We've done our very best to keep your rate increase as small as possible. We don't take for granted your commitment to working with us, so we want to make this work for all our clients.

Thanks to this modest increase, we'll continue to be able to:

- Benefit 1 (*ex. Keep increasing our team's pay to have the best coaches in town*)
- Benefit 2(*ex. Invest in our continuing education to make sure you're getting the very best training*)
- Benefit 3 (*ex. Make improvements in our space so you have clean and well-functioning environment*)
- Etc.
- Etc.

According to our records, your current membership is: **X times per week/ month on a X week month commitment.**

Your new rate as of [X Date] will be [$XXX per week/ month].

While we know you understand this is inevitable with all businesses, we *also* appreciate every dollar counts.

If any of you have concerns of any kind, we don't want you choosing between paying your mortgage or keeping up with your fitness. ;-) If this modest increase creates an extreme financial hardship, please hit reply and we can discuss.

Thank you for your continued support of [X business name]. We don't take that trust for granted and look forward to continuing to work with you for months and years to come!

Sincerely,
[Name]

411 W. 39th Street, NYC 10018 | 215-919-0307 | Businessforunicorns.com